

## Message Text

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PAGE 01 BUDAPE 02314 01 OF 02 071633Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
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R 071503Z JUN 78  
FM AMEMBASSY BUDAPEST  
TO SECSTATE WASHDC 1661  
INFO AMEMBASSY BELGRADE  
AMEMBASSY BERLIN  
AMEMBASSY BUCHAREST  
AMEMBASSY MOSCOW  
AMEMBASSY PRAGUE  
AMEMBASSY SOFIA  
AMEMBASSY WARSAW  
USMISSION USNATO

C O N F I D E N T I A L SECTION 1 OF 2 BUDAPEST 2314

EXDIS

E.O.11652: GDS  
TAGS: CSCE, PINT, PEPR, HU, CH, UR, PINR (BERECZ, JANOS)  
SUBJECT: BEREZ'S VIEWS IN CONTEXT OF HUNGARIAN FOREIGN POLICY

REF: STATE 134683

1. SUMMARY. BEREZ VISIT TO U.S. HAS OCCURRED IN MIDST OF PERIOD IN WHICH HUNGARY IS NOT ONLY IMPROVING ITS RELATIONS WITH U.S. BUT DEVELOPING ITS TIES WITH OTHER KEY WESTERN COUNTRIES. WE BELIEVE HIS OPENNESS WHILE IN U.S. WAS PURPOSEFUL AND REFLECTED HUNGARY'S MORE ACTIVE, FLEXIBLE, AND CONFIDENT PARTICIPATION IN INTERNATIONAL AFFAIRS, AS WELL AS A DESIRE TO CONTINUE TO IMPROVE DISCREETLY TIES WITH THE U.S. AND THE WEST. IN ADDITION, VISIT WAS THE OCCASION FOR AN EXPLANATION OF THE OPPORTUNITIES AND LIMITATIONS FACING HUNGARIAN POLICY MAKERS. END SUMMARY.

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2. DURING THE PAST YEAR HUNGARIAN LEADERS FROM FIRST SECRETARY KADAR, FOREIGN MINISTER PUJA, ON DOWN TO LATTER'S DEPUTY, JAOS NAGY HAVE BEEN TALKING TO U.S. OFFICIALS MORE OPENLY. BEREZ'S THOUGHTS AS EXPRESSED TO HIS U.S. HOSTS AND REPORTED REFTEL REPRESENT THE FRANKEST TALKING YET AND ARE ESPECIALLY NOTEWORTHY FROM A MAN WHO -- UNLIKE FOREIGN MINISTER PUJA, HIS COEQUAL ON QUESTIONS OF STATE-

TO-STATE RELATIONS -- IS ALSO AN AUTHORITATIVE SPOKESMAN ON INTRA-PARTY MATTERS. WE FIND NO SIGN THAT BERECZ HAS BEEN DISINGENUOUS. INDEED HIS REMARKS CONFIRM OUR ANALYSIS OF HUNGARIAN ATTITUDES. BERECZ A YEAR OR SO AGO WAS NOT SO OPEN WITH US AS NOW. THE CHANGE IS, IN OUR VIEW, A CONSCIOUS DECISION OF HUNGARIAN POLICY MAKERS.

3. KADAR'S VISITS TO THE WEST; HUNGARY'S LIBERAL ATTITUDE ON CSCE IMPLEMENTATION AND FAMILY REUNIFICATION; HUNGARY'S NEGOTIATING MFN WITH THE U.S., DESPITE INDICATIONS OF SOVIET displeasure; HUNGARY'S EXPANDING TRADE TIES WITH THE WEST; HUNGARY'S LESS THAN ENTHUSIASTIC ATTITUDE TOWARDS CEMA; ITS CLOSER TIES TO AUSTRIA; THE HSWP'S CAREFULLY BALANCED BUT UNIQUE POSITION ON RELATIONS WITH WESTERN COMMUNIST PARTIES; AND TO LESSER EXTENT BERECZ'S TRIP TO THE UNITED STATES ITSELF ARE ALL EXAMPLES OF A MORE NUANCED AND NATIONALLY ORIENTED PURSUIT OF HUNGARIAN INTERESTS IN INTERNATIONAL AFFAIRS. SEVERAL OF THESE "NATIONAL" STRAINS WERE ALLUDED TO BY BERECZ WHILE IN THE UNITED STATES.

4. BERECZ STATED THAT AS LONG AS RUSSIANS CONSIDER RELATIONS WITH HUNGARY TO BE STABLE AND SECURE INTERNAL PRACTICES AND FOREIGN POLICY ARE LESS OF A PROBLEM. TO BE SURE, HE STRESSED OVERRIDING IMPORTANCE OF SOVIET-HUNGARIAN RELATIONS. NEVERTHELESS, THIS ASSERTION OF

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SOME ROOM TO MANEUVER IS SOMETHING WE DO NOT USUALLY HEAR. IN THIS CONNECTION, BERECZ CLAIMED A SPECIAL ROLE FOR KADAR AS A SOURCE OF ADVICE TO BREZHNEV ON INTRA-PARTY MATTERS AND FOREIGN POLICY.

5. BERECZ AFFIRMED ONCE AGAIN THE HSWP'S VIEWS THAT EACH COMMUNIST PARTY IS OF EQUAL STATUS AND MUST CONSIDER ITS OWN NATIONAL INTERESTS. HE PERHAPS WENT A BIT FARTHER THAN A HUNGARIAN COULD IN PUBLIC BY SUGGESTING THOSE NATIONAL INTERESTS MUST COME FIRST, HE SAID: COUNTRIES CANNOT BE ASKED TO SUBORDINATE NATIONAL INTERESTS TO INTERNATIONAL PRINCIPLES. HIS VIEWS ON MARXIST-LENNINISM ARE COMMONLY HELD BY MANY HUNGARIANS EVEN THOUGH THEY CONTRADICT THE PUBLICLY EXPRESSED HSWP POSITION.

6. IN NOTING DOOR WAS OPEN FOR BILATERAL EFFORTS TO PREPARE FOR MADRID, BERECZ ALSO UNDERLINED HUNGARY'S UNIQUE ATTITUDE TOWARDS CSCE. SIGNIFICANCE OF THIS REMARK WILL BE WORTH EXPLORING IN OUR BILATERAL CSCE TALKS WITH HUNGARIANS.

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C O N F I D E N T I A L SECTION 2 OF 2 BUDAPEST 2314

EXDIS

7. THE GENERAL TIMETABLE SET FORTH BY BEREZ TO EXPLAIN HOW HUNGARY IS LIKELY TO PROCEED WITH ECONOMIC REFORM IS INFORMATIVE. THIS KIND OF DELIBERATE SCHEDULE IS EXACTLY HOW THE HSWP FOLLOWED UP ON THE ORIGINAL NEM MEASURES ANNOUNCED IN 1968.

8. SEVERAL INFORMED HUNGARIAN SOURCES HAVE DESCRIBED BEREZ AS A RISING STAR. THE EMBASSY IS ALSO IMPRESSED WITH HIS ABILITIES. WHILE HE MAY FORMALLY BE THE EQUAL OF FOREIGN MINISTER PUJA, WE BELIEVE HE IS IN PRACTICE MORE INFLUENTIAL AND IS MUCH MORE LIKELY TO BE AROUND IN FUTURE YEARS. HIS BEARING AND REMARKS IN U.S. REFLECT CONSIDERABLE SELF-CONFIDENCE.

9. CONFIDENCE ALSO SEEMS TO EXIST WITH REGARD TO THE CURRENT FOREIGN AND DOMESTIC LINE OF THE HSWP. EMBASSY HAS SPOKEN OF CONFIDENCE HUNGARIANS HAVE SHOWN WITH CONFIDENTIAL

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REGARD TO ECONOMIC REFORM AND LEADERSHIP CHANGES IN REPORTING AND ANALYZING RECENT CENTRAL COMMITTEE DECISIONS. HERE WE NOTE THIS CONFIDENCE WITH REGARD TO INTERNATIONAL RELATIONS AS REFLECTED IN BERECZ'S STATEMENTS. DESPITE VICISSITUDES OF DETENTE, HUNGARY HAS CONTINUED STEADFASTLY TO IMPROVE ITS RELATIONS WITH WEST CONFIDENT IN ITS TIES WITH SOVIET UNION AND KADAR'S PERSONAL RELATIONSHIP WITH BREZHNEV. BERECZ ALSO TELLS US WHAT WE HAVE INFERRED ALREADY, THAT HUNGARIANS ARE NOT OVERLY WORRIED ABOUT HOW SUCCESSION TO BREZHNEV MAY AFFECT THEM.

10. BERECZ VISIT TO U.S. HAS DRAWN CONSIDERABLE ATTENTION AMONG DIPLOMATIC COMMUNITY HERE. SOVIETS TOO HAVE UNDOUBTEDLY TAKEN NOTE. BERECZ IS SAID TO HAVE GOOD TIES TO SOVIETS. HE STUDIED THREE YEARS IN SOVIET UNION AND HAS DEALT WITH THEM REPEATEDLY IN HIS PARTY ROLE. ALTHOUGH BERECZ GIVES PRIMACY TO SOVIET RELATIONSHIP, AT SAME TIME HE SEEMS, LIKE KADAR, COMMITTED TO POLICIES, INCLUDING IMPROVED TIES WITH THE WEST, WHICH WILL SERVE HUNGARIAN NATIONAL INTERESTS BY HELPING TO ASSURE ECONOMIC AND POLITICAL STABILITY.

11. WHAT BERECZ HAS TOLD US IS SOMETHING THE SOVIETS, AS WELL AS WE, HAVE KNOWN FOR SOME TIME: THAT THE HSWP AND HUNGARY HAVE THEIR OWN SPECIFIC INTERESTS TO PURSUE AND IN A PERIOD OF DETENTE AND HELSINKI WILL INCREASINGLY GO THEIR OWN WAY ON MATTERS THEY CONSIDER OF VITAL INTEREST TO THEM AND LESS CRITICAL INTEREST TO THE SOVIET UNION. AS YUGOSLAV LEADER EDWARD KARDELJ STATED PRIVATELY DURING HIS VISIT TO WASHINGTON LAST FALL, JANOS KADAR IS REMARKABLY ADEPT AT SENSING THE LIMITS OF SOVIET TOLERANCE AND EQUALLY SKILLFUL AT KNOWING WHEN THOSE LIMITS CAN BE EXTENDED. OF COURSE THE HUNGARIANS, AS THEY THEMSELVES CONFIDENTIAL

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ARE QUICK TO POINT OUT, ARE ACTING WITHIN THE CONFINES OF A FIRM ALLIANCE WITH THE SOVIET UNION. HOWEVER, THE U.S. CAN PROFIT FROM AN INCREASINGLY FLEXIBLE AND OPEN SITUATION. THE BERECZ VISIT SHOWS WE MAY ALSO BE ABLE TO PROFIT IN A MORE IMMEDIATE SENSE FROM THE FRANKER DIALOGUE ON FOREIGN AND DOMESTIC POLICIES NOW OPENING UP WITH HUNGARIAN LEADERS.

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## Message Attributes

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